(d) if so, what steps have been taken against the banks in the recent cases of harassment as reported in the media?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) To protect the rights of bank customers, prevent their harassment, etc. steps taken by Government of India/Reserve Bank of India (RBI), *inter-alia*, include the following:—

(i) RBI has issued instructions/guidelines to banks on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services'.

(ii) RBI has formulated the "Fair Practices Code for Lenders".

(iii) RBI has issued instructions to All Commercial Banks/NBFCs (excluding RRBs) regarding Credit Card Operations.

(iv) Further, the Code of Banks' Commitments to Customers formulated by Banking Codes and Standard Board of India (BCSBI) provides, *inter-alia*, that the collection policy of the bank be built on courtesy, fair treatment and persuasion and the bank follows a security repossession policy in consonance with the law.

(v) The Indian Banks Association (IBA) has formulated a "Model Code for collection of dues and repossession of security" as also a "Fair Practice Code for credit card operations" which has been recommended to banks for adoption and implementation.

(b) In case of violation of the said guidelines, the customers aggrieved can lodge complaints with RBI's Customer Service Department, Banking Division of Department of Financial Services, Public Grievances Cell of concerned banks, Banking Ombudsman and District Consumer Forum. Further, the aggrieved can also lodge complaints with local police.

(c) The guidelines issued by RBI clearly stipulate that the banks would be responsible for all acts of omission or commission of their agents. RBI reserves the right to impose penalty on a bank for violation of guidelines under the provision of Banking Regulation Act, 1949.

(d) RBI takes up the complaints with the concerned banks and cautions them to ensure that such incidences do not recur in future. In the Mid-Term Review of Annual Policy Statement (dated October 30, 2007), RBI has observed that in view of the rise in the number of litigations against banks for engaging recovery agents in the recent past, it is felt that the adverse publicity could result in serious reputational risk for the banking sector as a whole. RBI has urged banks to follow prescribed specific considerations while engaging recovery agents and has clarified that complaints received regarding abusive practices followed by a bank's recovery agent would invite serious supervisory disapproval. RBI would consider imposing a temporary ban (or even a permanent ban in case of persistent abusive practices) for engaging recovery agents on those banks where strictures have been passed/penalties have been imposed by a High Court/Supreme Court or against its Directors/Officers with regard to the abusive practices followed by their recovery agents.

**Extension of services of small aircrafts in Uttarakhand, H.P. and N.E.**

†*65. SHRI AMIR ALAM KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government are considering to extend the services of small aircrafts in various parts of the country, particularly in the States of Uttarakhand, Himachal Pradesh (H.P.) and North-East (N.E.) on regular basis;

(b) if so, the details thereof;

† Original notice of the question was received in Hindi.

(c) by when these services are likely to be made operative;

(d) whether it is a fact that private operators are not interested to introduce their services in these areas; and

(e) if so, the action being taken by Government against such operators?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) Several scheduled and non-scheduled airlines operate small aircraft to destinations in Uttarakhand, Himachal Pradesh and the North East Region. While Alliance Air, Air Deccan and Jagson Airlines operate small aircraft to various destinations in Himachal Pradesh, Alliance Air, Air Deccan and Kingfisher Airlines operate small aircraft to various destinations in the North East Region. Air services to Dehradun in Uttarakhand are temporarily suspended due to runway extension work in-progress at the airport. Alliance Air plans to lease-in additional small aircraft to extend connectivity to various parts of the country. Further, Airports Authority of India has developed small airports like Dharamshala, Kullu etc. to facilitate operations by small aircraft to such destinations.

(d) Private airlines are operating to these areas as outlined above.

(e) Government has laid down route dispersal guidelines with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country, including North East region. It is, however, upto the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. As such, the airlines are free to operate anywhere in the country subject to compliance of route dispersal guidelines issued by Government.

**Criteria for price-fixation of gas from KG basin**

*66. SHRI D. RAJA:
SHRI SYED AZEEZ PASHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there have been concerns voiced by certain quarters about the pricing of natural gas to be extracted from Krishna-Godavari (KG) basin by Reliance Industries Ltd.;

(b) if so, what is the criteria adopted in fixing the prices of natural gas being extracted by Reliance from KG basin; and

(c) what is the Government's reaction to the concerns being expressed by certain quarters?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (c) Yes, Sir. The Production Sharing Contract (PSC) provides for pricing of gas on the basis of sales on arms length principles. The formula or basis on which the prices shall be determined for the purposes of determining the Government take is required to be approved by the Government prior to sale of natural gas to the consumers/buyers. Accordingly, RIL submitted a proposal on 18.5.07 for approval of gas price formula which was arrived at by following a bidding process.

After taking into account the concerns voiced in some quarters regarding pricing of gas from KG Basin Block of RIL, the Government took the action of constituting an Empowered Group of Ministers (EGoM) to consider and decide the issues of gas pricing and commercial utilization of gas under New Exploration Licensing Policy (NELP). EGoM considered the price basis/formula submitted by RIL and decided the issue of pricing of gas under NELP.